



Financial Statements  
June 30, 2019

San Luis Obispo County Community  
College District

# SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

### CONDENSED DISTRICT-WIDE FINANCIAL INFORMATION IS AS FOLLOWS:

#### Condensed Statement of Net Position as of June 30, 2019 and 2018

Amounts in thousands

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets		
Cash, investments, and short-term receivables	\$ 94,585	\$ 111,076
Inventory and other assets	369	470
Total Current Assets	<u>94,954</u>	<u>111,546</u>
Noncurrent Assets		
Capital assets, net of depreciation	<u>176,915</u>	<u>160,132</u>
Total Assets	<u>271,869</u>	<u>271,678</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	18,425	18,868
Total Assets and Deferred Outflows	<u>\$ 290,294</u>	<u>\$ 290,546</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 11,202	\$ 9,804
Unearned revenue	5,381	3,930
Current portion - long-term obligations other than pensions	7,734	6,576
Total Current Liabilities	<u>24,317</u>	<u>20,310</u>
Noncurrent Liabilities		
Noncurrent portion - long-term obligations other than pensions	134,065	142,134
Aggregate net pension obligation	65,343	65,291
Total Noncurrent Liabilities	<u>199,408</u>	<u>207,425</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related OPEB	9	-
Deferred inflows of resources related to pensions	7,019	5,380
Total Deferred Inflows of Resources	<u>7,028</u>	<u>5,380</u>
<b>NET POSITION</b>		
Net investment in capital assets	86,210	84,362
Restricted	22,586	21,689
Unrestricted deficit	(49,255)	(48,620)
Total Net Position	<u>59,541</u>	<u>57,431</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 290,294</u>	<u>\$ 290,546</u>

# **SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2019**

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### **Challenges Ahead for the District**

The district will need to carefully monitor changes to the SCFF over the coming year. We continue to see a decline in our core FTES, and the contribution rates for the pension systems, especially CalPERS, are scheduled to climb through the next decade. Further, the Department of Finance and other forecasting agencies are growing increasingly concerned about the possibility of a recession.

To maintain balanced budgets, the district will need to address the following:

- Restrain expenditures and explore alternative revenues to manage the transition to the SCFF
- The decline in traditional credit FTES
- Increasing pension contribution rates
- Avoid committing one-time revenues or savings for ongoing expenditures
- Maintain prudent reserve and contingency funds
- Account for increases in technology costs and other service needs
- Comply with statutes and regulations (e.g., the 50 percent Law, Full-time Faculty Obligation Number)

### ***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the San Luis Obispo County Community College District.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF NET POSITION - PRIMARY GOVERNMENT  
JUNE 30, 2019**

**ASSETS**

**Current Assets**

Cash and cash equivalents - unrestricted	\$ 878,298
Investments - unrestricted	10,963,287
Investments - restricted	76,444,196
Accounts receivable	6,042,268
Student receivables, net	257,249
Due from fiduciary funds	260,000
Prepaid expenses	108,953
<b>Total Current Assets</b>	<u>94,954,251</u>

**Noncurrent Assets**

Capital Assets	
Nondepreciable capital assets	14,662,704
Depreciable capital assets, net of depreciation	162,252,135
<b>Total Noncurrent Assets</b>	<u>176,914,839</u>
<b>TOTAL ASSETS</b>	<u>271,869,090</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources related to pensions	<u>18,425,297</u>
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**LIABILITIES**

**Current Liabilities**

Accounts payable	8,973,263
Accrued interest payable	2,228,686
Unearned revenue	5,381,159
Current portion of long-term obligations other than pensions	7,734,055
<b>Total Current Liabilities</b>	<u>24,317,163</u>

**Noncurrent Liabilities**

Noncurrent portion of long-term obligations other than pensions	134,064,683
Aggregate net pension obligation	65,343,367
<b>Total Noncurrent Liabilities</b>	<u>199,408,050</u>
<b>TOTAL LIABILITIES</b>	<u>223,725,213</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources related to postemployment benefits (OPEB) liability	8,682
Deferred inflows of resources related to pensions	7,019,153
<b>Total Deferred Inflows of Resources</b>	<u>7,027,835</u>

**NET POSITION**

Net investment in capital assets	86,209,904
Restricted for:	
Debt service	20,792,668
Capital projects	454,878
Educational programs	1,168,258
Other activities	170,195
Unrestricted deficit	(49,254,564)
<b>TOTAL NET POSITION</b>	<u>\$ 59,541,339</u>

The accompanying notes are an integral part of these financial statements.



**SUPPLEMENTARY INFORMATION**

# SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

## DISTRICT ORGANIZATION

**JUNE 30, 2019**

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The San Luis Obispo County Community College District was established on April 16, 1963, and is comprised of an area of approximately 3,316 square miles located in San Luis Obispo County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

### BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Pete Sysak	President	2022
Dr. Barbara George	Vice President	2020
Patrick Mullen	Member	2022
Angela Mitchell	Member	2020
Mary Strobridge	Member	2020
Lindsay Bachman	Student Trustee	2020

### ADMINISTRATION

Dr. Jill Stearns	President and District Superintendent
Dan Troy	Vice President, Administrative Services
Dr. Mark Sanchez	Vice President, Student Services and College Centers
Dr. Deborah Wulff	Vice President, Academic Affairs
Melissa Richerson	Vice President, Human Resources

See accompanying note to supplementary information.